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FISCAL IMPACT REPORT

ORIGINAL DATE 2/15/2007

SPONSOR Ryan LAST UPDATED HB

SHORT TITLE School Operating Budget for Administration SB 706

ANALYST Schuss

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 706 limits the percentage of operating expenditures that can go for administration in school districts with a student enrollment of more than 35,000 and provides that no more than 15 percent of the operating budget shall be budgeted under functions 2300 (Support Services – General Administration), 2500 (Central Services), 2600 (Operations and Maintenance of Plant) and 2900 (Other Support Services).

FISCAL IMPLICATIONS

PED notes that Senate bill 706 indicates that the limit of operating expenditures that can go to administration only applies to school districts with a student enrollment of more than 35,000. Currently, this would only apply to the Albuquerque Public Schools (APS). Based on Albuquerque's 2006-2007 final approved budget, functions 2300, 2500, 2600 and 2900 equal 15.75 percent of the total operating budget.

SIGNIFICANT ISSUES

APS would be the only district that would have to comply with this requirement.

POSSIBLE QUESTIONS

PED reports that the affected functions currently equal 15.75 percent of the total operating budget for APS.

How would the loss of .75 percent affect these functions?

How would the .75 percent be reallocated?

BS/nt